



STATE OF DELAWARE

PUBLIC SERVICE COMMISSION
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MEMORANDUM

TO: The Chairman and Members of the Commission

FROM: Joshua Bowman, Public Utility Analyst

A handwritten signature in black ink, appearing to read "JAB".

DATE: May 22, 2017

SUBJECT: IN THE MATTER OF THE APPLICATION OF LEGACY LONG DISTANCE INTERNATIONAL, INC. FOR A TRANSFER OF CONTROL TO JAIL EDUCATION SOLUTIONS, INC. D/B/A EDOVO PURSUANT TO 26 DEL. C. §215.
(FILED APRIL 26, 2017) – PSC DOCKET NO. 17-0277

Application

On April 26, 2017, Legacy Long Distance International, Inc. ("Legacy") and Jail Education Solutions, Inc., d/b/a Edovo ("Edovo") (collectively, the "Applicants"), filed an application with the Delaware Public Service Commission ("PSC" or "Commission") pursuant to 26 Del. C. § 215, seeking approval of a direct transfer of ownership of Legacy to Edovo (the "Proposed Transaction"). This application was filed in connection with a Stock Purchase Agreement entered into by the Applicants on January 27, 2017 (the "Agreement").

Applicants

Legacy Long Distance International, Inc.

Legacy is a California corporation with principal offices located at 10833 Valley View Street, Suite 150, Cypress, CA 90630. Legacy was granted authority to provide competitive Intrastate telecommunications services in the state of Delaware on January 29, 2002, by way of Commission Order No. 5882 in PSC Docket No. 01-480.

Jail Education Solutions, Inc., d/b/a Edovo

Edovo is a Delaware corporation with its principal business office located at 500 W. Madison Avenue, Suite 801, Chicago, IL 60661. Edovo provides secure tablet technology to correctional facilities to help to better prepare inmates for re-entry and to improve public safety.

Their tablet solution provides over 10,000 hours of educational, vocational and treatment programming to the inmate population.

Proposed Transaction

Pursuant to the Agreement entered into by and between Legacy and Edovo, Edovo will acquire 100% of the voting equity interests of Legacy. At the closing of the Proposed Transaction, Legacy will become a wholly-owned subsidiary of Edovo. This change in control will not involve any transfer of operating authority, assets or customers in Delaware or elsewhere. The Proposed Transaction will be seamless to customers as Legacy's corporate identity, name and operations, and the rates, terms and conditions of its service offerings will remain intact after the Proposed Transaction.

Public Interest

The Proposed Transaction will serve the public interest as the transaction will be seamless from the perspective of Legacy's Delaware customers because there will be no change in the company name, nor any changes in the rates, terms and conditions of service. Moreover, the Proposed Transaction will enhance Legacy's capabilities to provide quality, competitive telecommunications services to Delaware customers.

Staff Recommendation

Applications seeking approval of transfer of control by large multi-state competitive intrastate telecommunications providers technically come under the provisions of 26 *Del. C.* §215 because the companies are deemed to be public utilities. The Applicants have represented that the Proposed Transaction is in accordance with the law, for a proper purpose, and consistent with the public interest. The Commission has previously allowed such applications to become effective by statutory approval without Commission action. The result seems appropriate under the circumstances. Staff, therefore, recommends that the Commission not act on this application. Under 26 *Del. C.* §215(d), the effect will be that the application is deemed to be approved by the Commission. Staff will also acquire verification from the Applicants that the Proposed Transaction has been completed.